



ASX Announcement

10 August 2005

FIRST DIAMONDS PRODUCED FROM MERLIN

SUMMARY

- ◆ **First diamonds recovered from the reprocessing of Merlin sorthouse tailings.**
 - ◆ **The diamonds included a 1.39 carat gem quality yellow stone.**
 - ◆ **The diamonds were recovered from visual observation of the initial coarse concentrates produced from the diamond circuit.**
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FIRST DIAMONDS PRODUCED

The Directors of Striker Resources NL (“Striker”, to be renamed North Australian Diamonds Ltd) are pleased to announce the recovery of the first diamonds from reprocessing of the Merlin sorthouse tailings. The diamonds were recovered from visual observation of coarse concentrates produced from Striker’s recently commissioned Merlin diamond processing plant.

The largest diamonds recovered are as follows;

- 1.39ct yellow gem, fragment from larger stone
- 1.11ct white irregular
- 0.33ct grey cube
- 0.25ct white octahedron

The early recovery of diamonds in this size range is in line with expectations, and the recovery of a gem quality yellow non-fluorescing diamond is further evidence of the presence of a yellow diamond population at Merlin. There has been no previous significant production of these yellow diamonds from Merlin. Yellow gem quality diamonds can often command higher prices.

Sorting of the coarse fraction concentrates commenced this week and will be ongoing. The fine fraction concentrates will undergo additional upgrading prior to sorting.

As previously announced to the market, the Stage 1 development of Merlin involves the reprocessing of up to 10,000 tonnes of sorthouse tailings over 4 months, estimated to contain in excess of 50,000 carats of diamonds. This processing commenced during July 2005.

Stage 2 involves the processing of remaining ore from tailings stockpiles, remnant ore sourced from previously mined pits and ore mineable as a consequence of re-optimised pit designs.

Tom Reddicliffe
Chief Executive Officer

The information in this report, which relates to mineral resources, is based on information compiled by Mr Tom Reddicliffe, a full time employee of the company. Mr Reddicliffe, as a fellow of AusIMM, has relevant experience in relation to the mineralisation being reported on to qualify as a competent person as defined in the Australasian Code for Reporting of Identified Mineral Resources and Ore Reserves. He has consented to the inclusion of this information in the form and context in which it appears in this report.

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